

Minutes for the
DENALI COMMISSION QUARTERLY MEETING
APRIL 28, 2005
Kodiak, Alaska

Commissioners Attendance:

Jeffrey Staser	Federal Co-Chair
Joel Gilbertson	<i>Representing</i> State Co-Chair
Mark Hamilton	Commissioner, University of Alaska
Richard Cattanach	Commissioner, Associated General Contractors
Julie Kitka (via speakerphone)	Commissioner, Alaska Federation of Natives
Kevin Ritchie	Commissioner, Alaska Municipal League
Jim Sampson	Commissioner, AFL-CIO
Gary Brooks ¹	<i>Representing</i> Commissioner, AFL-CIO

The meeting begins at 9 a.m. Commissioner Staser welcomes the Commissioners to Kodiak and asks opening comments by Commissioners. Mr. Gary Brooks (attending with Commissioner Sampson) announces he anticipates representing Commissioner Sampson at future Commission meetings. Commissioner Sampson announces he will participate in the [meeting] morning session and defer to Mr. Brooks for the afternoon session.

Agenda

Commissioner Ritchie adds a resolution regarding Catholic Social Services Homeless Shelter; resolution regarding funding for the Turnagain Arm Health Center in Girdwood; and a resolution to establish a Budget and Audit Committee, to the agenda. He also places an executive session after the 9:50 overview of progress regarding Commission accountability measures. Commissioner Kitka adds a request from the Legislature for \$10,000 to support the Joint Rural Assessment Task Force which is to support a public hearing process and a needs assessment dealing with rural energy. She then asks for a policy discussion with the Shishmaref Erosion and Relocation Coalition and their recent report and the Commission's response to it. There being no other changes, Commissioner Ritchie continues with the update on Commission actions by the Federal Co-Chair.

Updates

Federal Co-Chair Staser narrates a slide presentation on actions that have occurred since January. He further states the Commission is present in the President's budget. In order to conserve Commission administrative funds, Mr. Staser has suspended outreach program funds and implemented a staff hiring freeze. Administrative funds remaining at the end of the fiscal year would be transferred to grant programs to act as contingency funds for existing projects. The annual audit was passed with the only area of concern being timelier reporting on the grant recipients' side. He continues that roles and responsibilities of staff were restructured for clarity. Mr. Staser discusses enhancing the Federal-State partnership throughout the Commission programs. Currently this partnership is concentrated in the Health and Energy programs. He references Senator Stevens' initiative to form a commission to address the relocation of Alaskan communities threatened by erosion and expects the Denali Commission to work with that entity [once formed]. Mr. Staser concludes by discussing the need to regularly review the Commission "ground rules"

¹ Mr. Brooks is accompanying Commissioner Sampson to become familiar with the quarterly meetings. During this meeting he will act in the capacity as representing Commissioner Sampson and participate in votes when directed by Commissioner Sampson.

and code, and the 5-year mark is an appropriate time to do that. He emphasizes this review should occur at the July meeting.

Commissioner Ritchie asks for a motion to accept the agenda, as amended. Commissioner Hamilton motion's for acceptance and Mr. Brooks seconds. The agenda is adopted as amended.

State Co-Chair Gilbertson provides an update. The Governor, Commissioner of Commerce, Community, and Economic Development and Commissioner of Health and Social Services will rotate in attending the Commission meetings as the State Co-Chair. The Governor has issued Administrative Order 224 which addresses alignment of the State and Denali Commission's planning processes. He adds that it directs state agencies to engage in an aligned effort to move under uniform rules around sustainability and investment guidelines, and will likely be fully implemented in fiscal year 2007 since it was signed after the 2006 budget submission. He concludes by discussing resident youth psychiatric treatment center projects and the State's effort to develop a 10-year plan addressing youth psychiatric treatment.

Mr. Ewing reviews the performance indicators for the various programs (emphasizing energy, primary care, and training). He concludes by introducing Mike Marsh, the new representative from the Legislature, the Budget and Audit Committee.

Executive Session

Commissioner Ritchie announces the Commission will enter executive session. He reads the Commission Code concerning *Open Meetings* regarding executive sessions, and affirms no action will be taken during executive session.

Commissioner Sampson motions the Commission enter executive session. State Co-Chair Gilbertson seconds the motion. The motion passes without objection.

There being no objection, the Commission adjourns into executive session.

(Denali Commission in executive session from 9:40 until 10:50 a.m.)

Commissioner Sampson motions to return to the regular general session of Denali Commission. State Co-Chair Gilbertson seconds the motion. The motion passes without objection.

The Commission reconvenes.

Approval of Prior Meeting Minutes

Commissioner Ritchie adds an item to the agenda, which is approval of minutes.

Commissioner Sampson motions to approve the minutes of January 28, 2005.

Commissioner Cattanaach [during the discussion phase of the vote] comments that page 3 of the minutes does not identify the Commissioner who discussed the 5 percent cash match. Also, on page 8, the authors of the joint letter are not identified. Commissioner Cattanaach requests these errors be corrected.

Commissioner Ritchie considers these as amendments to the motion and directs staff to fill in the correct information. The minutes are adopted as amended without objection.

Federal Co-Chair Staser asks about the Morris Thompson Cultural Visitors' Center and asks who is following up on a report on the kind of cultural activities the center will offer. Mr. Ewing states that staff will obtain that information.

Budget and Audit Committee Resolution

Commissioner Sampson remarks that during the January quarterly meeting, the Commissioners voted unanimously to form a Code Review Committee and Audit Committee. The purpose of Resolution 05-21 is combine these entities into one Budget and Audit Committee with responsibilities of Commission Code review and matters related to budget, annual audits, and internal controls.

Commissioner Sampson motions to adopt Resolution 05-21 (Establish a Budget & Audit Committee). Commissioner Hamilton seconds the motion. The motion is unanimously approved.

Commissioner Sampson motions that Commissioner Ritchie be designated as the Chairman of the Audit Committee and that the Chairman of the Audit Committee have the authority to appoint two additional members. Commissioner Cattanaach seconds. *Federal Co-Chair Staser recuses himself stating, on the record, that all Commissioners are invited to participate in the Audit Committee except the Federal Co-Chair. Commissioner Ritchie, as the committee chair, also recuses himself from the vote.* The motion is unanimously approved

Commissioner Sampson motions that the Full Commission appoint Kevin Ritchie as Chairman of the Audit Committee and Joel Gilbertson and Dick Cattanaach to serve on the Committee. Commissioner Kitka seconds the motion. The motion is unanimously approved

Consent Agenda

Commissioner Ritchie rules that since the consent agenda business is new, further discussion is warranted ending with a motion to adopt the balance of the consent agenda. Commissioner Cattanaach asks to discuss training program, washeteria, and teacher housing.

Commissioner Sampson motions to adopt the balance of the consent agenda. The motion is amended to approve resolutions under lines C, D, F and G [of the consent agenda].² Commissioner Cattanaach seconds the motion. Commission Kitka clarifies that there may be people in the audience that want to testify and asks to delay the vote until this afternoon. Commissioner Ritchie agrees-the final vote is delayed.

A discussion ensues concerning the type of performance indicators and exit strategies the Commission should have for its programs. The Federal Co-Chair requests Commissioners to evaluate if the current indicators are meeting their needs. Are the indicators providing quantitative and qualitative measurements of program results? Is there a need to develop measures tailored to different audiences?

The Commissioners proceed to discussing the resolutions removed from the consent Agenda. Commissioner Cattanaach leads a discussion of the Training Program and Alaska Department of Labor agreement. Mr. Johnsen explains the funding balance in the program and the proposal for a Youth [Training] Initiative Request. This request is being executed in coordination with the Workforce Investment Board. Also, the [Bethel] People's Learning Center appears to be a good model for training initiatives.

Commissioner Cattanaach expresses his concern with forward funding (for FY 2006) \$300,000 to the First Alaskans Institute given the limited amount of training funds available. Mr. Johnsen explains this is due to three factors, 1) when the Commission received the funds, 2) when the institute executes their program, and 3) the fiscal year cycle. Commissioner Kitka comments this funding is contingent upon review and approval of the results of the previous year.

² Line C becomes Resolution 05-12 (Solid Waste), Line D is 05-13 (Multi-use), Line F is 05-15 (Elder Housing), and Line G is 05-16 (Health Care Projects).

The Washeteria resolution is discussed. Ms. Roberts clarifies for Commissioner Cattnach and Kitka that two agencies, Village Safe Water and the Alaska Native Tribal Health Consortium will present prospective projects for Commissioners to consider for funding. These projects will be derived from the agencies respective [project] prioritization systems.

The Teacher Housing resolution is discussed. Commissioner Cattnach questions how staff ensure cost standards are applied to projects. Mr. Ewing replies that there are cost benchmarks used as a guide and the Alaska Housing Finance Corporation, as the program partner, has the responsibility to identify methods of meeting benchmark costs or identifying why this is not possible.

A discussion ensues concerning a reference made to Davis-Bacon wages. Commissioner Cattnach and Mr. Brooks emphasize Davis-Bacon wages are meant for a skilled workforce and apprentice wages should be paid to less skilled labor. The intent of Davis-Bacon is to promote trade skills development in the workforce and this should be the goal for all our grant recipients. Co-Chair Staser summarizes by stating the Commission needs to update its training policy to continue emphasis on local workforce training to be employed on local projects.

The Residential Youth Psychiatric Treatment Facility resolution is discussed. Mr. Ewing explains the \$10-million originally appropriated for the Bethel facility has been reallocated to other health projects in coordination with the State Department of Health and Social Services. Federal Co-Chair Staser asks for documentation from the Congressional delegation, specifically Senator Stevens, as opposed to informal communications from staff, that the right thing is being done in reallocating those funds. Mr. Ewing responds that the written approval of the reallocation will come from the House and Senate Appropriations Committee. This resolution is contingent upon approval from both of those committees.

Commissioner Ritchie moves to the allocation of FY05 energy funds. Mr. Ewing states that the Commission, in the January 24th meeting, approved a specific subset of the overall priority list of projects that were approved. These are the projects that we want to put money into this year. As money is available, staff is working down that list.

Commissioner Ritchie moves to the resolution regarding funding for municipal training. This money goes directly to the Municipal Clerk's Association which provides 100 percent towards the training of municipal clerks. He recommends that this is a good allocation of the fairly small amount of training funds.

Commissioner Sampson motions to change the resolution by directing the Denali Training Fund to fund the municipal training out of current FY05 funds. Commissioner Hamilton seconds the motion. The motion is withdrawn after Commissioner Sampson learns the Training Fund has been depleted for 2005.

Commissioner Ritchie moves on to the resolution regarding funding for the Catholic Social Services Homeless Shelter. Commissioner Kitka urges support from the Commission regarding the \$100,000 to go to the infrastructure of the facility and that it is a multi-partnered effort. Discussion ensues about the source of the funds and the propriety of considering this last-minute submission. The discussion concludes with referring the proposal to the Infrastructure Committee.

Commissioner Ritchie moves on to the resolution regarding the Turnagain Arms Health Center in Girdwood. This project is earmarked in the appropriations language. Commissioners support the resolution without further discussion.

Commissioner Ritchie breaks for lunch to reconvene at 1:30.

Mr. Ewing begins the afternoon session by summarizing the morning's actions on the consent agenda and other resolutions. Commissioner Kitka withdraws the resolution on the homeless project and asks to take it

off the agenda. Commissioner Ritchie accepts and moves on to public comments. The meeting proceeds to the public hearing session.

Public Comments

Mr. Kuhns, Executive Director of *Yuut Elitnaurviat* [People's Learning Center] in Bethel thanks all for the funds towards their construction project. \$15-million [of the \$19-million required] has been collected to construct the learning and vocational facility for secondary alternative students and adults. He briefly addresses the sustainability in the budget through the nine partner organizations and moves on to explain the economy in the Bethel region. Bethel's economy highlights the need to train the unemployed workforce for the jobs that are available. He promotes the idea that the region can have a robust and healthy economy if the people get trained for the jobs that are there. He thanks the Denali Commission for its support.

Ms. Larson, of the Curyung Tribal Council in Dillingham, presents the tribes desire to construct a multi-use facility. It has been identified as a priority project both in the city's and tribe's comprehensive plan. She continues that they have been working diligently in forming partnerships throughout the community to access funds and put together proposals for funds to start on this project. She asks for favorable consideration of the Tribe's request for design funds.

Hugh Short, Vice President of Support Services, YKHC, thanks the Commission for Toksook Bay health clinic. He discusses his concern with the proposed Commission Procurement Policy that could eliminate the use of "force account" labor on construction projects. He highlights the need for a primary care center and applauds the reallocation of the \$10-million received for the psychiatric center. He concludes with discussing the need for an assisted living facility in Bethel.

Mr. Welles, Chief Financial Officer, YKHC, discusses the proposed Commission Procurement Policy. He highlights that "force account" labor [expenditures] accounts for a small percentage of YKHC federal funds and are insignificant within the statewide construction industry. He closes by stating that there is room for both force-account projects and hard-money projects in the current status quo. .

Ms. Stevens, President/CEO of Kodiak Area Native Association, which represents the outlying villages as well as ten tribes on Kodiak Island makes a presentation. She thanks the Commissioners for being open and receptive to the comments and ideas, and for especially being so generous in the funding of the wonderful opportunities, and for taking the time to note what is important to the people of this region.

Ms. Marlar, Clerk for the City of Kodiak, as well as the second vice president of the Alaska Association of Municipal Clerks, thanks the Commissioners for the past support of municipal clerk training and urges them to continue to provide training for municipal clerks.

Commissioner Ritchie asks for any other comments. Hearing none, he closes the public hearing. He moves on to the consent agenda.

Commissioner Sampson moves adoption of resolutions under lines C, D, F, and G. Commissioner Hamilton seconds. Commissioner Cattnach amends that to include lines A, B, H, and with advice from staff, line E. Commission Hamilton recommends not doing that. Commissioner withdraws the motion and yields to the Commissioner. The motion [to adopt resolutions under lines C, D, F, and G] passes unanimously.

Commissioner Hamilton motions to approve the resolution line A. State Co-Chair Gilbertson seconds. The motion passes unanimously.³

³ Line A becomes Resolution 05-10 (Training)

Commissioner Sampson motions to adopt the resolution allocating washeteria funds, line B. State Co-Chair Gilbertson seconds. There being no further discussion and no objection, the motion passes unanimously.⁴

Commissioner Sampson motions to adopt the resolution allocating teacher housing program funds, line E. State Co-Chair Gilbertson seconds. There being no further discussion and no objection, the motion passes unanimously.⁵

Commissioner Sampson motions for the resolution allocating youth psychiatric program funds, line H. After discussion, there being no objection, the motion passes unanimously.⁶

Commissioner Cattnach motions to adopt the resolution regarding the proposed allocation of balance of FY 2005 energy funds. Commissioner Hamilton seconds. There being no further discussion and no objection, the motion passes unanimously.⁷

Commissioner Sampson motions for the resolution regarding the funding for municipal clerk training. Commissioner Hamilton seconds. After discussion, there being no objection, the motion passes unanimously.⁸

Commissioner Sampson motions that the resolution granting funds for Catholic Social Services Homeless Shelter be placed on the agenda, referred to the Infrastructure Committee, granting them authority to make a decision on funding. Commissioner Hamilton seconds the motion. Federal Co-Chair Staser asks that in empowering the Infrastructure Committee, they identify the source of the funding. Commissioner Sampson accepts this as a friendly amendment. After discussion, a vote is taken, Commissioner Cattnach votes no. There being one no vote, the motion passes.

Commissioner Kitka motions to defer to the July Meeting the remaining motions dealing with the match policy and procurement policy but withdraws the motion [after discussion]. Commissioner Hamilton makes a motion to vote down the policy. Commissioner Ritchie seconds. Commissioner Kitka questions that motion. The motion to **not** adopt the match policy is approved.

Commissioner Sampson motions to finalize the procurement policy and send it back to the Infrastructure Committee for more work. Commissioner Kitka seconds. The motion is passed unanimously.

Commissioner Sampson motions to adopt the resolution regarding funding for Turnagain Arms Health Center. Federal Co-Chair Staser seconds. After discussion, there being no objection, the motion passes unanimously (Resolution 05-20).

Commissioner Kitka motions to adopt the of the annual work plan draft and strategic plan. Commissioner Hamilton seconds. There being no further discussion and no objection, the motion passes unanimously.

Commissioner Ritchie states that the last issue is HGR 12, which is a Joint Rural Assessment Task Force suggested by Commissioner Kitka. Commissioner Kitka states that it is an assessment/information gathering which would be helpful to the Legislature and the Denali Commission and is a relatively minor amount of money (\$10,000 request). He hands out letters from small rural communities about some of the

⁴ Line B becomes Resolution 05-11 (Washeteria)

⁵ Line C becomes Resolution 05-14 (Teacher Housing)

⁶ Line H becomes Resolution 05-17 (Youth Psychiatric)

⁷ Resolution 05-18 (Energy)

⁸ Resolution 05-19 (Municipal Clerk Training)

desperation and lack of service and other issues that exist in Rural Alaska. Commissioner Hamilton states that the Denali Commission ought to be deeply involved in this, but not necessarily financially.

Commissioner Sampson motions to provide funds to the Joint Rural Assessment Task Force. Commissioner Ritchie seconds. There being no further discussion, the vote is one, yes and the rest, no. **The motion fails.**

Commissioner Kitka defers the last discussion on Shismaref erosion and will get a report out in writing.

Closing Comments

Commissioner Cattanach asks to have the Executive Director sit at the table instead of running to the podium every time he speaks. Commissioner Hamilton states that it was a great Commission meeting and encourages more focusing in. Federal Co-Chair Staser states that on the federal side they are looking at their ability to enhance the sustainability of the Commission itself and will continue to tighten their budget. Commissioner Ritchie thanks Commissioner Gilbertson for joining us.

State Co-Chair Gilbertson encourages working with the staff to develop a more uniform process for handling some of the late-breaking and smaller dollar and somewhat less formal requests. Commissioner Kitka states a disappointment on the last vote and thanks Jeff and Al for their dedication and doing an incredible job with a very difficult structure. She thanks all for including her.

Commissioner Sampson thanks the Federal Co-Chair and Al Ewing and commends the decision on a record of our meetings. He suggests a different structure for public comment. Commissioner Ritchie thanks the community of Kodiak for hosting the Denali Commission and to all for participating. He thanks all the Commissioners for a good, productive meeting.

Commissioner Cattanach moves for adjournment. Commissioner Ritchie adjourns the meeting.

(Denali Commission quarterly meeting adjourned at 3:30 p.m.)